

CHAPTER 33 - VEHICLES FOR HIRE

ARTICLE IX. Transportation Network Companies

Sec. 33-982. Scope of instant article.

(a) Holders of permits to operate TNCs, transportation network vehicles and drivers of transportation network vehicles shall be governed by the provisions of Articles I and IX of this chapter, except the following sections in Article I shall not apply to transportation network companies:

- (1) Sec. 33-007
- (2) Sec. 33-009;
- (3) Sec. 33.041(a)-(d)
- (4) Sec. 33.044
- (5) Sec. 33.046;
- (6) Sec. 33.048
- (7) Sec. 33.055 – 33.056;
- (8) Sec. 33.062; and
- (9) Sec. 33.067.

(b) To the extent there is a conflict between a provision in Article IX and another provision in Chapter 33, the provision in Article IX takes precedence to the extent of the conflict.

Sec. 33-983. Application for transportation network company operating permit.

To obtain an operating permit or renewal of an operating permit for a TNC, a person shall submit an application to the director in the manner prescribed by this section. The applicant must be the person who will own or operate the proposed ground transportation service or the chief officer. An applicant shall file with the director a written, sworn application containing the following:

- (a) The form of business of the applicant; if the business is a corporation or association, a copy of the documents establishing the business and the name, address and citizenship of each officer with a direct interest in the business. Notice of any change in an applicant's form of business shall be provided to the director within ten business days of the change;

- (b) The name, street address, phone number and verified signature of the applicant and of the applicant's proposed business; an applicant shall notify the director, in writing, of any change in the foregoing within ten business days of the change;
- (c) A representation of whether the applicant is a citizen of the United States of America by birth or naturalization, or if alien, evidence of the applicant's legal residence in the United States and of the applicant's legal right to engage in employment herein;
- (d) An identification and description of any revocation or suspension of an operating permit held by the applicant or the applicant's business which occurred prior to the date of filing the application.
- (e) The estimated number of vehicles to be used by the applicant in the operation of the proposed ground transportation network operation;
- (f) As required by the rules and regulations established by the director, a general description of the vehicles the applicant proposes to use in providing ground transportation services;
- (g) A description of the operations of the proposed ground transportation service and the location of any fixed facilities to be used in the operation;
- (h) A management plan including:
 - (1) A maintenance plan which the applicant shall utilize for the upkeep of vehicles to be permitted. Such plan may include a maintenance contract with an outside contractor;
 - (2) A procedure outlining the handling of complaints; and
 - (3) A drivers training program submitted to the director for approval. The drivers training program must contain;
 - a. Customer service;
 - b. Company orientation;
 - c. Chapter 33;
 - d. Rules and regulations established by the director;
 - e. Local sights and location orientation;
 - f. Any other training outlined in the rules and regulations established by the director, which may be required of all applicants, when the director has determined that such additional training is in the best interests of the public; and

g. Airport operations, including the provisions of the Chapter 3, Article II, of this Code, and the rules and regulations established thereunder.

(i) Documentation from an insurance company authorized by this chapter evidencing a willingness to provide, prior to commencement of the proposed service, the insurance required by this chapter;

(j) Documentation evidencing timely payment of all city, state, and federal taxes, fees and assessments, if any, which have been levied on the business and property to be used in connection with the proposed service;

(k) Written documentation authorizing the release to the city of any and all information which an organization or entity may have concerning the applicant and a release to said organization or entity from all liability which may result from the furnishing of such to the city; and

(l) Such additional information as the applicant desires to include to aid in the determination of whether the requested operating authority should be granted.

(m) An applicant shall pay for and comply with the requirements for a criminal history background check, as approved by the director.

(n) The director will review the application and the background check and shall approve or deny the applicant. The director's consideration, and the appeal of any permit denial, shall follow the procedures and standards of secs. 33-008 and 33-010.

Sec. 33-984. Grant of operating permit; service requirements.

Upon approval of an application for an operating permit by the director, and the execution of a permit agreement pursuant thereto, the director shall promptly issue the operating permit. This permit agreement shall be for a period of 24 months from the date it becomes effective. The director may allow for automatic renewal for an additional period not to exceed 24 months, as provided in the rules and regulations.

Sec. 33-985. Application for a drivers permit; qualifications; issuance and denial.

(a) A TNC may not allow a person who does not have a current and valid drivers permit to operate a vehicle for hire. If a TNC wants to hire a person without a drivers permit, or provide for the renewal of a drivers permit that is about to expire, the TNC is responsible for assisting such person in obtaining a drivers permit. The TNC shall conduct an investigation at no expense to the city concerning the character, experience and qualifications of the applicant to determine whether or not the applicant is fit, willing and able to operate a vehicle for hire in a manner consistent with the general welfare of the public and in accordance with the requirements of this chapter, rules and regulations established by the director, and all other applicable laws, rules and regulations.

(b) The TNC shall confirm, and obtain and maintain evidence for submission to the city, upon request, that at the time the TNC submits the application to the city, the proposed driver:

(1) Is 18 years of age or older;

(2) Is a citizen of the United States of America by birth or naturalization, or if an alien, submit evidence of legal residence in the United States and legal right to engage in employment herein;

(3) Possesses a valid Texas drivers license required for the class of vehicle to be operated by the applicant as required by Secs. 521.081 and 521.082 of the Transportation Code, possesses an active Department of Defense ID card and a current and valid drivers license from another state, or is a student and possesses a valid drivers license issued by any state or territory of the United States.

(4) Is able to read and speak the English language;

(5) Has executed an authorization in writing for the release by the city to the TNC of any and all information which the city may have concerning the proposed driver, including but not limited to criminal history information, and a release of the city from all liability which may result from the furnishing of such to the TNC;

(6) Has executed an authorization in writing for the release to the city by the TNC of any and all information, without limitation, which the TNC may have concerning the proposed driver, and a release of the TNC and the city from all liability which may result from the furnishing of such by the TNC.

(7) Has passed a drug test as required under Sec. 33-029 of this chapter;

(8) Has provided documentation that the driver has a personal automobile policy in the minimum amount required by state law.

(c). At the time the TNC submits the application for a drivers permit, the TNC shall:

(1) Make sure that such driver meets the qualifications under this section, and attests to the same on a form designated by the director;

(2) Pay any required fees; and,

(3) Provide the director with the driver's residence street address and a valid phone number.

(d) An applicant shall pay for and comply with the requirements for a criminal history background check, as approved by the Director.

(e) The TNC application for a drivers permit shall be presented by the driver, in person, with all the documentation required by this section, to the director or the director's designee at a location designated by the director. The driver shall also present the transportation network vehicle which the driver proposes to use, along with all the documentation required under section 33-987. If the application is approved, the director shall issue a drivers permit and affix the vehicle permit to the vehicle. All the documentation presented by the driver, except for the driver and vehicle attestations, will be returned to the driver for return to the sponsoring TNC.

(f) The director will review the application, the background check and the information provided by the TNC under this section, and shall approve or deny the applicant. The director's consideration, and the appeal of any permit denial, shall follow the procedures and standards of this section and sec. 33-041(a), (e)–(i).

Sec. 33-986. Information and data to be kept and maintained three years; records to be made available for inspection.

Each TNC shall maintain at the business office information and data on his ground transportation service business and operations, including the following specific requirements:

(a) Accurate records, reports, receipts, driver manifests and other operating information and data as may be required by the director shall be kept and maintained in the business office, and all such documents shall be made available at the business office, or in such other manner as approved by the director, for examination at all reasonable times by the director;

(b) For good cause and upon request by the director, every TNC shall submit to the director, in accordance with the uniform system prescribed, such information and data as determined necessary by the director to evaluate the TNC's operations; submission of the information and data shall be no later than the tenth day of the month following the request by the director;

(c) Every TNC shall submit to the director reports on all accidents and collisions arising from or in connection with the operation of transportation network vehicles using the TNC's platform; reports shall be submitted within 48 hours from the time of such occurrence on a form or report approved by the director; and

(d) Every TNC shall keep complete records on employees and drivers, including driver application information under sec. 33-985, vehicle application records under sec. 33-987, bonds, and insurance policies, and shall make such records available or submit such records to the director upon request. Such requests may be made by the director at any time, and be requested for any reason.

(e) All records required under this chapter shall be maintained for a period of three years from the date the record was first created or the information was obtained by the TNC.

Sec. 33-987. Vehicle safety requirements and inspections.

(a) The city may by ordinance, rule or regulation, including vehicle inspection guidelines, establish requirements for size, condition and accessories of a vehicle for hire used by a TNC.

(b) The TNC shall have each vehicle inspected prior to operation and yearly thereafter by an A.S.E. certified mechanic in accordance with established inspection guidelines and standards of the city, and attest to same to the city before such vehicle is placed in service, and the TNC shall make sure that a current and valid vehicle permit is permanently attached to the vehicle prior to operation as a vehicle for hire. The appearance and placement of the permit shall be approved by the director.

(c) The director may inspect a vehicle for hire at any time which the director determines to be reasonable and necessary for enforcement of compliance with the provisions of this chapter and all other applicable rules, regulations and laws. A TNC shall make a vehicle for hire available for inspection when ordered by the city. If a TNC fails to make a vehicle for hire available for inspection when so ordered, said vehicle shall be immediately suspended from service until the vehicle has successfully passed the required city inspection.

(d) If a TNC makes a vehicle for hire available for inspection when so ordered, and if the director determines that said vehicle is in violation of any of the provisions of this chapter or other applicable rules, regulations and laws, then the director shall issue a correction order or vehicle inspection report to said TNC as provided by Sec. 33-070 of this chapter.

(e) The TNC shall have ten days from the date of the director's decision to immediately remove a vehicle from service or from the date of receipt of a correction order, to request a hearing before the director, in writing and addressed to the director, and to present to the director any additional information, including inspection reports from mechanics retained by the TNC, which may aid the director in his determination whether to affirm or reverse the director's initial determination.

Sec. 33-988. Display of drivers identification.

A driver shall at all times keep his/her company issued drivers identification in the driver's possession and shall allow a passenger, the director, a peace officer, and any other person authorized to enforce the provisions of this chapter, to examine said permit upon request.

Sec. 33-989. Insurance.

(a) For all periods when a driver is logged into a TNC's internet enabled application or digital platform, or is otherwise engaged in transportation network operations, including but not limited to when waiting for a dispatch, enroute to pick up a passenger, and while providing transportation to a passenger, insurance shall be maintained by the TNC, the driver through a policy specifically designed to cover for a TNC or a combination of both, including the following specific requirements:

(1) General liability insurance and automobile liability insurance, insuring the general public against any loss or damage that may result to any person or property from the operation of the vehicles covered by the permit and securing payment through this policy of any final judgment or settlement of any claim against the applicant, its drivers and employees of the TNC resulting from any occurrence arising out of or caused by the operation of a transportation network vehicle.

(2) The insurance policy requested in this section shall be available to cover claims as specified in this section regardless of whether a driver maintains insurance adequate to cover any portion of the claim and shall be maintained and available for viewing on the TNC's internet enabled application and website.

(3) The insurance shall provide at least the following minimum coverage:

a. During the period that a driver is logged into the TNC's internet-enabled application or digital platform as a driver, or is otherwise engaged in transportation network operations, but has not accepted a ride and is not providing transportation to a passenger, primary coverage in the amounts of not less than: death and bodily injury coverage of \$50,000 per person; death and bodily injury coverage of \$100,000 per accident; and property damage coverage of \$25,000 per accident. There shall also be excess coverage in an amount of not less than \$200,000 per occurrence for death, bodily injury and property damage.

b. During the period from the time a driver accepts a trip request through completion of the trip, primary insurance in an amount of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage. In addition, the policy must provide not less than \$1,000,000 in uninsured/underinsured motorist coverage, and comprehensive and collision protection up to the actual value of the transportation network vehicle, up to an amount of \$50,000.

(4) This requirement may be satisfied by a surplus lines insurance policy that is issued by a company licensed in the United States and registered with the Texas Department of Insurance, which has a minimum A.M. Best rating of A-.

(b) Drivers shall have and maintain in force and effect a personal automobile insurance policy in an amount of not less than the minimum required by state law.

(c) Coverage under the insurance required by subsection (a) shall not be dependent on a personal automobile policy first denying a claim, nor shall a personal automobile insurance policy be required to first deny a claim.

(d) If the insurance maintained by a driver as required under subsection (a) has lapsed or ceased to exist, the TNC shall provide the coverage required by subsection (a) beginning with the first dollar of a claim.

(e) In the event of a collision involving a transportation network vehicle, the driver shall provide to any authorized law enforcement officer and any driver or person involved in the collision, proof of the insurance policies required under this article.

(f) In a claims coverage investigation, TNCs and drivers shall cooperate with a claimant, a claimant's insurance company and legal representative, and a liability insurer that also insures the transportation network vehicle, including providing the relevant dates and times during which an incident occurred that involved the driver, and the relevant dates and times while the driver was logged into a TNC's digital network.

Sec. 33-990. Additional operating requirements.

(a) It shall be the duty of each driver to pull his transportation network vehicle to the curb when loading or unloading passengers, however, drivers may not use stands or loading zones to pick up or discharge any passenger.

(b) The TNC's internet enabled application or digital platform accessed by potential passengers shall display for the potential passenger: a picture of the driver and a picture and/or description of the transportation network vehicle the driver is approved to use, including the license plate number of the transportation network vehicle.

(c) Upon request a driver shall display to the director, or other person authorized to enforce this chapter, a physical or electronic record of a ride in progress sufficient to establish that it was a prearranged transportation service. To the extent that trip records are contained on an electronic device, a driver is not required to relinquish custody of the device in order to make the required display but must demonstrate to the director or other person authorized to enforce this chapter that the driver has in his possession proof of that the ride in progress is the result of a prearranged transportation service.

(d) Any terms or conditions in the agreement between the TNC and driver, or between the driver and any passenger, that would act as a waiver of the TNC's liability to the passenger or to the public, are declared to be contrary to public policy, null, void and unenforceable.

(e) It shall be unlawful for any TNC permitted, licensed, or authorized by another jurisdiction to initiate transportation network service within the corporate boundaries of the city without a permit issued pursuant to this article; provided however, a transportation network vehicle operated by a driver affiliated with a TNC permitted, licensed, or authorized by or in another jurisdiction may come into the city to discharge a passenger whose trip originated outside of the city.

(f) No TNC shall own, lease or provide financing for the ownership or leasing of any transportation network vehicle.

(g) No transportation network driver shall pick up or discharge a passenger on any portion of San Antonio International Airport (SAT) or Stinson Airfield (SSF) without proper authorization pursuant to Chapter 3, Article II of this Code, including payment of any fees.

(h) A TNC may allow a driver to be logged into the TNC's internet-enabled application or digital platform as a driver, or to otherwise engage in transportation network operations for a period not to exceed 12 hours following eight consecutive hours off duty.

(j) Every TNC, prior to beginning transportation network operation, shall provide the director with the ability to access the TNC Platform for the purpose of viewing TNC vehicles operating and requesting service from TNC vehicles for the purpose of inspections. This access shall be on a device approved by the director or on a device provided by the TNC Company that meets the requirements of the director. Any access or equipment needed to meet the above requirements shall be at no cost to the City. TNC drivers that deny a request for inspection or service from the director shall be removed from service until the TNC vehicle has been inspected.

(j) Transportation network vehicles shall be removed from service when the vehicle is eight years of age, as outlined in rule 421, established by the director under this chapter. The age of the vehicle shall be calculated from the vehicle's model year.

(k) Transportation network vehicles shall be registered in the State of Texas unless the driver is in active duty for the United States armed forces, or is a dependent of a person who is in active duty for the United States armed forces, in which case the vehicle may be registered in the state or territory of the person who is in active duty for the United States armed forces.

(l) The requirement for post accident testing under Sec. 33-029(f)(1) only applies to a TNC driver who at the time of the accident was logged into a TNC's internet-enabled application or digital platform as a driver, or was otherwise engaging in transportation network operations.

Sec. 33-991. Number of vehicles for hire authorized.

There is no limit to the number of transportation network vehicles authorized under this chapter.

Sec. 33-992. Driver as an independent contractor.

(a) A TNC may contract with a driver on an independent contractor basis if and only if:

(1) The contract provides that the TNC indemnifies the city and holds the city harmless for all claims and/or causes of action against the city arising from the acts or inactions of the driver;

(2) The contract provides that the driver being contracted with is insured under the insurance policy as required by this chapter;

(3) The contract imposes a condition that the driver must comply with the requirements of this chapter, rules and regulations established by the director, rules and regulations established by the city's director of aviation and all other applicable rules, regulations and laws, and that failure to comply may be considered by the TNC as a material breach of the contract; and

(b) A TNC that continues to contract with a driver who repeatedly violates Chapter 33 may face revocation or suspension of the TNC's permit under Article I, Division 3, revocation /suspension of permits.

Sec. 33-993. Rate of fares.

(a) The amount of a TNC's fares is not regulated under this chapter, and may vary as determined by the TNC.

(b) TNC fares must be calculated based on both time and distance; the use of a flat rate or hourly rate is prohibited.

(c) All TNCs shall display their fare rate and provide a fare rate estimator on the website, internet-enabled application or digital platform used by the TNC to connect drivers and passengers.

(d) All passengers shall be notified of the proposed fare prior to the beginning of the trip.

Sec. 33-994. Acceptance of Passengers.

(a) TNCs and drivers may only provide vehicle for hire services through the TNC's internet enabled application or digital platform. Drivers may not pick up passengers by any other method, including street hails.

(b) TNCs and drivers must operate on an "on demand" basis and are prohibited from operating on a pre-arranged or pre-sold basis.

Sec. 33-995. Receipt.

(a) Upon completion of a ride, a TNC shall transmit to the passenger who arranged for the transportation an electronic receipt, either by email or text message, documenting: the point of origin and destination of the ride; the total duration and distance of the ride; the total fare paid including the base fare and any additional charges incurred for distance traveled or duration of the ride; and, the driver's name and telephone number.

(b) The TNC shall make available on either the mobile application or the receipt provided to the passenger the contact information for the TNC's customer service liaison, including but not limited to the liaison's name, phone number and e-mail address.

Sec. 33-996. Notice to prospective drivers.

(a) A TNC shall make the following disclosure to a prospective driver in the driver's terms of service:

(1) "While operating on the transportation network company's digital network, your personal automobile insurance policy might not afford any coverage, depending on the policy's terms"; and

(2) "If the vehicle that you plan to use to provide transportation network company services for our transportation network company has a lien against it, you must notify the lienholder that you will be using the vehicle for transportation services that may violate the terms of your contract with the lienholder."

(b) The disclosure under Sec. 33-996(a) must be placed prominently in the prospective driver's written terms of service, and the prospective driver must acknowledge the terms of service electronically or by signature.

Sec. 33-997. Fees.

- (a) The following fees are hereby established:
 - (1) Driver permit . . . \$15
 - (2) Renewal of driver permit . . . \$15
 - (3) TNC application . . . \$110
 - (4) Citywide vehicle operating permit (per year/per vehicle) . . . \$160
 - (5) Re-inspection . . . \$28
 - (6) Inspection re-scheduling ...\$28
- (b) All fees are due upon request of service and are non-refundable.
- (c) Permits are not transferrable.
- (d) TNC city-wide vehicle operating permit fees shall be paid to the city annually, starting on January 1st and ending on December 31st of each year. Fees paid on or after April 1st, shall be pro-rated on a quarterly basis, for periods beginning on the 1st of April, July, and October.
- (e) Vehicle and driver permit fees shall be paid in full prior to commencement of transportation network operation.
- (f) Re-inspection fees and Inspection re-scheduling fees shall be paid prior to the conduction of inspections or re-inspections.

Sec. 33-998. Violations, penalties and impoundment.

- (a) A person shall not knowingly operate, allow to be operated, or cause to be operated a TNC or transportation network operation as defined in Sec. 33-003 of this chapter, without a current and valid operating permit issued under this chapter.
- (b) A person shall not operate, allow to be operated, or cause to be operated, a transportation network vehicle or engage in transportation network operations as defined in Sec. 33-003 of this chapter, without a current and valid permit permanently attached to the vehicle.
- (c) A person shall not operate, allow to be operated, or cause to be operated, a transportation network vehicle or engage in transportation network operations as defined in Sec. 33-003 of this chapter, without a current and valid drivers permit.
- (d) It shall be a violation for a person to forge, alter, deface or counterfeit a vehicle permit, or to have in his possession any vehicle permit which has been forged, altered, defaced or counterfeited.
- (e) A person shall only accept payment utilizing the TNCs platform. At no time shall a person accept cash, check or other forms of payment.

- (e) A person shall only accept customers from the TNC's platform and shall not accept, offer to transport, or solicit a customer.
- (g) A TNC shall not operate a ground transportation service other than for the type of service for which an operating permit has been granted.
- (h) A person who violates a provision of this article or who fails to perform an act required of the person by this article commits a Class C Misdemeanor offense.
- (i) A person commits a separate offense for each and every violation, and for each day during which a violation is committed, permitted, or continued.
- (j) An offense committed under this chapter is punishable by a fine of not more than \$500.
- (k) A culpable mental state is not required for the commission of an offense under this chapter and need not be proved.
- (l) The penalties provided for in this chapter are in addition to any other remedies that the city may have under city ordinances and state law.
- (m) The police department shall seize and impound any vehicle when probable cause exists to believe that such vehicle is engaging in transportation network operations without the required operating or vehicle permit, or without the required drivers permit, in violation of this chapter. Vehicles seized in accordance with this subsection shall be removed to a designated secured facility. Probable cause shall mean the existence of a reasonable ground to believe that facts exist to justify the impoundment of the vehicle.
- (n) The police department shall seize and impound any electronic radio or data communication device possessed or used by a driver, when probable cause exists to believe that such communication device is being used in transportation network operations without the required operating or vehicle permit, or without the required drivers permit, in violation of this chapter. An electronic, radio or data communication device seized in accordance with this subsection shall be removed to a designated secured facility. Probable cause shall mean the existence of a reasonable ground to believe that facts exist to justify the impoundment of the communication device.
- (o) Upon impoundment, the procedures stated in Sec. 33-074 shall be followed.

Sec. 33-999. Revocation and suspension of operating permits for driver and vehicle violations.

(a) An operator's permit may be suspended by the director for violations of Chapter 33 found by the director during any type of audit of records maintained by and vehicles operated by a TNC.

(b) For the purposes of this section, the violations must occur within a one year period, and each vehicle and driver record shall constitute a separate violation, whether the violation was found on the same or different days.

(c) The period of the suspension **shall** be as follows:

(1) for the third violation, a 30 day suspension;

(2) for the fourth violation, a 90 day suspension; and

(3) for the fifth violation, a one year suspension.

(d) An operators permit shall be suspended by the director if the TNC has been issued a criminal citation for a violation of Chapter 33, has received notice of the court appearance date through service upon a corporate representative, and fails to appear within ten days of the designated appearance date.